

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 COME-00 EB-07 INR-07  
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INFO AMEMBASSY ANKARA  
AMEMBASSY LONDON  
AMEMBASSY NICOSIA  
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USMISSION EC BRUSSELS

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EO 11652: NA  
TAGS: ELAB GR  
SUBJECT: PARLIAMENTARY DISCUSSION: CARAMANLIS REITERATES WARNING  
AGAINST STRIKES THREATENING ECONOMY

REF: A. ATHENS 4769 (NOTAL); B. ATHENS 4670

1. BEGIN UNCLASSIFIED. SUMMARY: AS REPORTED REF A,  
PRIME MINISTER CARAMANLIS DISCUSSED A BROAD RANGE OF NATIONAL  
ISSUES IN PARLIAMENT ON MAY 20 DURING THE DISCUSSION AT THE  
LEVEL OF PARTY LEADERS. HE TOUCHED BRIEFLY ON THE STATUS  
OF GREECE'S ECONOMY, FINDING IT SATISFACTORY FROM ALL  
POINTS OF VIEW. REFERRING TO THE CONTINUING SERIES OF  
STRIKES, HE USED AGAIN THE STERN TONE WHICH HE TOOK DURING A  
CABINET MEETING ON MAY 17 (REF B). HE DESCRIBED THE STRIKES AS  
A THREATENING PHENOMENON FOR THE FUTURE OF THE ECONOMY,  
AND SAID, "...THE GOVERNMENT IS NOT IN A POSITION TO GIVE  
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SATISFACTION TO UNREASONABLE DEMANDS WHICH ENDANGER  
THE COUNTRY'S ECONOMY." MINISTER OF COORDINATION  
PAPLIGOURAS THEN FOLLOWED THE PRIME MINISTER AND  
ECHOED HIS STATEMENT, REFERRING SPECIFICALLY TO THE  
STRIKE BY 4,000 HOSPITAL PHYSICIANS (NOW IN ITS SECOND  
WEEK) AND OF CIVIL AVIATION PERSONNEL (ENDED ON MAY 23,  
AS REPORTED SEPTEL. THE PRINCIPLE OPPOSITION LEADERS,

RESPONDING TO CARAMANLIS AND PAPALIGOURAS, WERE UNANIMOUS IN CRITICIZING THE GOVERNMENTS ECONOMIC POLICY, BUT CONCEDED THAT NOT ALL STRIKES WERE JUSTIFIED OR IN THE NATIONAL INTEREST. END SUMMARY.

2. FOLLOWING A LONG DISCUSSION ON FOREIGN POLICY AND DEFENSE ISSUES IN PARLIAMENT ON MAY 20 (REPORTED IN SEPTELS), PRIME MINISTER CARAMANLIS TOUCHED BRIEFLY ON GREECE'S ECONOMIC SITUATION. HE SAID THAT THE ECONOMY "WITHOUT BEING IDEAL, IS SATISFACTORY," GIVEN THREE BASIC FACTORS WHICH MUST BE CONSIDERED: (A) "THE OPPRESSIVE INHERITANCE OF THE (JUNTA) PAST"; (B) THE TREMENDOUS INCREASE IN DEFENSE EXPENDITURES, AND (C) THE IMPACT OF "THE INTERNATIONAL ECONOMIC CRISIS" ON THE DOMESTIC ECONOMY. HE REFERRED TO STATISTICS RELEASED BY INTERNATIONAL ECONOMIC BODIES WHICH INDICATE THAT GREECE, IN COMPARISON WITH OTHER COUNTRIES, IS DEVELOPING SATISFACTORILY. HE ALSO CITED OFFICIAL GOVERNMENT FIGURES WHICH, HE SAID, SHOWED THAT GREECE'S ECONOMIC SITUATION WAS BETTER IN 1976 THAN IT WAS IN 1975 AND PROBABLY WOULD BE EVEN BETTER IN 1977.

3. CARAMANLIS THEN WARNED THAT "THIS SATISFACTORY DEVELOPMENT OF OUR ECONOMY MAY BE JEOPARDIZED BY INOPPORTUNE, ILLOGICAL STRIKES WHICH, IF THEY ACCOMPLISH THEIR OBJECTIVES, WILL LEAD TO INFLATION AND WILL HALT THE ECONOMIC DEVELOPMENT OF THE COUNTRY." HE NOTED THAT IN A DEVELOPING ECONOMY, CONSUMER EXPECTATIONS RISE MORE RAPIDLY THAN THE ECONOMY'S ABILITY TO SATISFY EXPECTATIONS. LIMITED OFFICIAL USE

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HE FOUND THE RESULTING DISSATISFACTION NATURAL, BUT CONDEMNED "DEMAGOGUES" WHO ENCOURAGE THE PUBLIC TO MAKE ILLOGICAL CONFLICTING DEMANDS FOR LOWER TAXES AND MORE GOVERNMENT SERVICES, HIGHER PAY AND SHORTER WORKING HOURS. HE COMMENTED THAT "IF AT THIS MOMENT THE GOVERNMENT WOULD MEET ALL DEMANDS UPON IT, FIVE NATIONAL BUDGETS WOULD NOT COVER THEM". HE CONDEMNED THE SUBJUGATION OF NATIONAL INTERESTS TO SPECIAL INTERESTS AND CAUTIONED THAT "THE FACT THAT THE INSTITUTION OF THE STRIKE CAN BE CORRUPTED BY ITS ABUSE IS BEING FORGOTTEN." SUMMING UP, HE SAID THAT "THE GOVERNMENT HAS AN INTEREST IN MEETING ALL THE DEMANDS OF ALL ITS CITIZENS. IF IT DOES NOT DO SO, IT IS NOT BECAUSE IT DOES NOT WISH TO, BUT BECAUSE IT CANNOT. IT CANNOT DO SO WITHOUT AT THE SAME TIME SHAKING THE ECONOMY AND HARMING THE COUNTRY."

4. MINISTER OF COORDINATION PAPALIGOURAS FOLLOWED CARAMANLIS WITH A DETAILED EXPLANATION OF THE ISSUES INVOLVED IN TWO CURRENT STRIKES--ONE BY SOME 4,000 HOSPITAL PHYSICIANS

AND ANOTHER BY AIR TRAFFIC CONTROLLERS AND OTHER CIVIL AVIATION PERSONNEL. HE ACCUSED THE STRIKING DOCTORS OF VIOLATING THE RULES NOT ONLY OF SOCIAL BEHAVIOR, BUT ALSO OF HUMANITARIAN BEHAVIOR. REFERRING TO THE CIVIL AVIATION STRIKE (WHICH ENDED MAY 23 AS REPORTED SEPTEL), HE NOTED THAT THE STRIKERS WERE DEMANDING INORDINATE INCREASES WHEN THEIR SALARIES WERE ALREADY, HE CLAIMED, 70 PERCENT HIGHER THAN THOSE OF OTHER GOVERNMENT EMPLOYEES WITH EQUAL LENGTH OF SERVICE AND EQUIVALENT SKILLS. PAPALIGOURAS CHARACTERIZED THE STRIKE AS ANTI-TRADE UNION IN CHARACTER BECAUSE THE STRIKING EMPLOYEES, IN DEMANDING UNREASONABLY HIGH WAGES, WERE IGNORING THE EFFORTS OF OTHER CIVIL SERVANTS AND THEIR UNIONS TO ESTABLISH A UNIFORM PAY SYSTEM.

5. OPPOSITION LEADERS, IN RESPONDING TO CARAMANLIS AND PAPALIGOURAS, REPEATED THEIR STANDARD CRITICISM OF THE LIMITED OFFICIAL USE

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GOVERNMENTS ECONOMIC POLICY, BUT GAVE NO ENDORSEMENT TO THE CURRENT STRIKES. GEORGE MAVROS, PRESIDENT OF THE PRINCIPAL OPPOSITION PARTY, UNION OF DEMOCRATIC CENTER, STATED THAT THE GOVT'S ECONOMIC AND LABOR POLICIES WERE SPASMODIC AND CONTRADICTIONARY. HE SAID IT IS IMMORAL FOR THE GOVERNMENT CONTINUALLY TO INHIBIT THE WORKERS DEMANDS ON THE GROUNDS OF NATIONAL INTEREST. HE CONCLUDED BY SAYING THAT IT IS THE GOVT'S DUTY TO PREVENT SOCIAL PROBLEMS FROM BECOMING DISTURBANCES AND FACE THE ISSUES THAT CAUSE STRIKES BEFORE THE STRIKES OCCUR.

6. ANDREAS PAPANDREOU, LEADER OF THE PANHELLENIC SOCIALIST MOVEMENT (PASOK), MENTIONED LABOR ISSUES ONLY IN PASSING BUT CONCEDED THAT NOT ALL STRIKES ARE JUSTIFIED. PRESIDENT OF THE UNITED DEMOCRATIC LEFT ILIAS ILIOU WAS THE MOST SPECIFIC OF THE OPPOSITION LEADERS CONCERNING THE MERITS OF THE CURRENT STRIKES, WARNING THAT SOME STRIKES CAN CAUSE GREAT HARM TO THE NATIONAL INTEREST. HE SAID "EVERYONE SHOULD BE CAREFUL. AN IMBALANCE IN SOCIAL LIFE IS EXACTLY WHAT THE DARK FORCES OF ANOMALY ARE LYING IN WAIT FOR." END UNCLASSIFIED.

7. BEGIN LIMITED OFFICIAL USE. COMMENT: THE DISCUSSION WAS SCHEDULED IN RESPONSE TO A PROPOSAL BY MAVROS THAT THE CURRENT STRIKE SITUATION BE DISCUSSED ON AN URGENT BASIS. BUT ALL THE PARTICIPANTS, INCLUDING MAVROS, CONCENTRATED MOST OF THEIR ATTENTION ON THE BROADER FOREIGN POLICY AND DEFENSE ISSUES. SO FAR, THE GOVERNMENT HAS A FAIRLY GOOD TRACK RECORD OF ENCOURAGING WAGE SETTLEMENTS CLOSE TO THE 15 PER CENT LIMIT IN GUIDELINES ESTABLISHED LAST FEBRUARY. BUT THE HOSPITAL AND CIVIL AIR STRIKES ARE ONLY THE LATEST IN A SERIES OF PUBLIC SERVICE STRIKES WHICH HAVE HAD MUCH

GREATER POLITICAL AND SOCIAL THAN ECONOMIC IMPACT.  
CARAMANLIS WAS SPEAKING BEYOND PARLIAMENT TO A CONCERNED  
PUBLIC IN STRESSING THAT NATIONAL INTERESTS WILL PREVAIL  
IN WAGE SETTLEMENTS. THE OPPOSITION LEADERS, INCLUDING  
THOSE ON THE LEFT SUCH AS PAPANDREOU AND ILIOU, CLEARLY SAW  
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NO ADVANTAGE IN SUPPORTING THE STRIKES UNRESERVEDLY.  
END LIMITED OFFICIAL USE.  
KUBISCH

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## Message Attributes

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